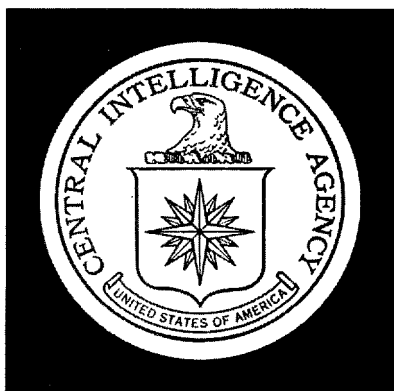


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DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

State Department review completed

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4 May 1967

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Information as of 1600
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HIGHLIGHTS.

The Communists are continuing to apply heavy pressure to US and allied positions in northwestern Quang Tri Province. In North Vietnam, Communist fighters offered heavy opposition to US aircraft conducting strikes on targets near Hanoi. One MIG-21 was downed; no US aircraft were lost.

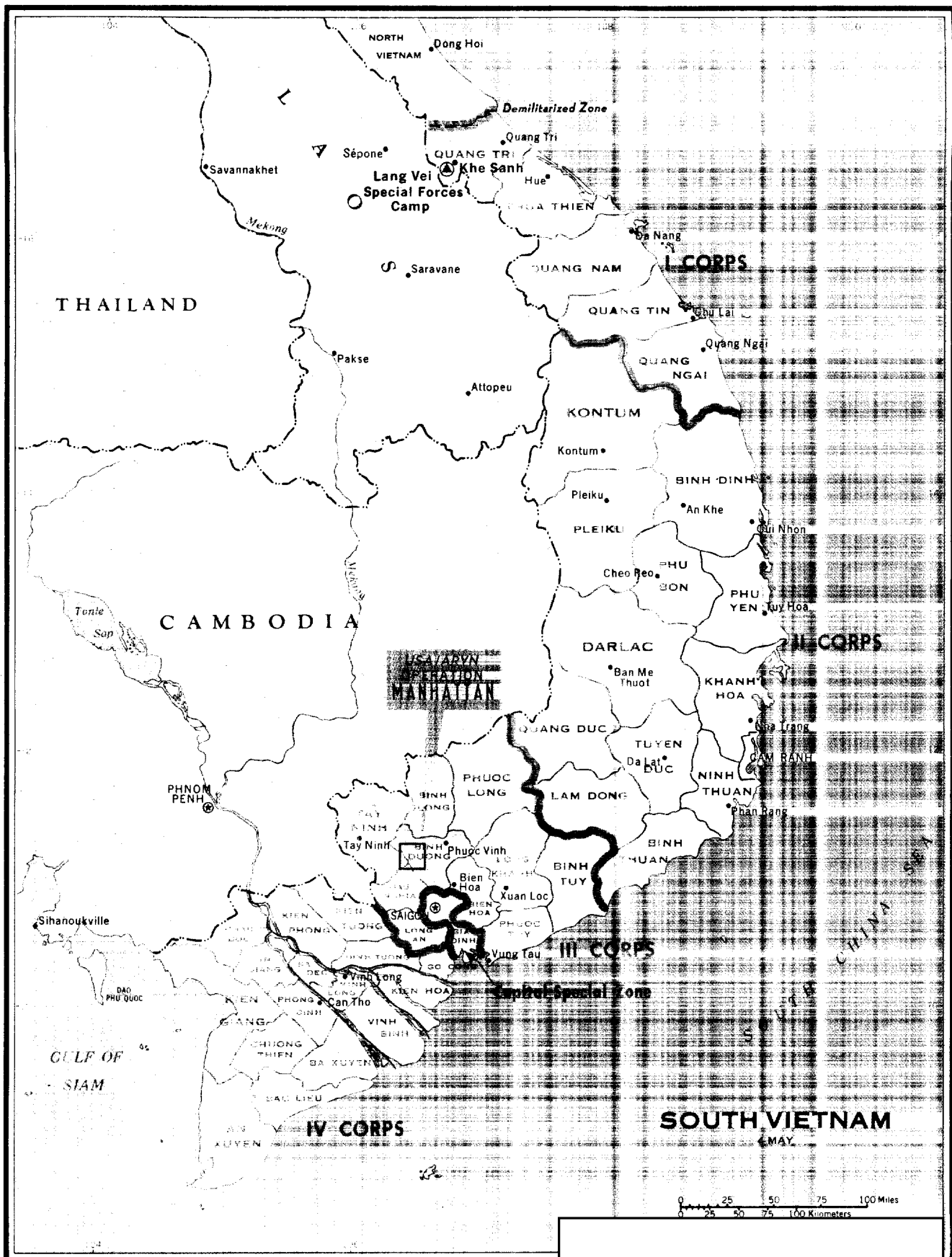
I. The Military Situation in South Vietnam:
North Vietnamese Army forces are continuing to apply heavy pressure against US and allied positions and camps in northwestern Quang Tri Province near the Lao border (Paras. 1-6). US forces participating in Operation MANHATTAN in Binh Duong Province north of Saigon have seized another large cache of enemy weapons and supplies (Paras. 7-8).

II. Political Developments in South Vietnam:
Police Director Loan is actively working behind the scenes to enhance the interests of the military establishment in the national elections (Paras. 1-4).

III. Military Developments in North Vietnam:
A MIG-21 was shot down near Phuc Yen Airfield on 4 May in one of several air battles involving US planes that had attacked the Hanoi transformer station (Paras. 1-2).

IV. Other Communist Military Developments:
There is nothing of significance to report.

V. Communist Political Developments: A French press service reports on DRV Premier Pham Van Dong's recent trip to Moscow (Paras. 1-2). North Vietnamese Foreign Minister Nguyen Duy Trinh's recent article returns to an insistence on the US accepting the four-point program (Paras. 3-5).



I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. North Vietnamese Army (NVA) forces are continuing to apply heavy pressure against US and allied positions in northwestern Quang Tri Province near the Lao border.

2. Although significant fighting for control of three strategic hills northwest of Khe Sanh has temporarily subsided, two US Marine battalions continue to maneuver in search of the remnants of an estimated 2,500-man North Vietnamese Army force that has been involved in this ten-day-long campaign. According to US officials, a total of 512 enemy killed has been confirmed by body count. Updated cumulative American casualties, in contrast, now number 130 killed and 369 wounded.

3. Press reports quote General Walt, the Marine commander in I Corps, as stating that the interrogation of recently captured prisoners reveals that the enemy units encountered by US Marines near Khe Sanh are part of the NVA 325th Division.

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5. There has as yet been no confirmation from MACV as to the subordination of enemy units near Khe Sanh, nor is there sufficient information presently available to substantiate the prisoners'

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reports that the entire division--presumably three regiments--infiltrated to South Vietnam between February and April of this year.

6. An isolated 900-man Civilian Irregular Defense Corps (CIDG) Special Forces camp at Lang Vei, four miles southwest of Khe Sanh, came under heavy enemy attack early on 4 May. More than 250 mortar rounds were fired at the garrison, followed by a battalion-size assault against the camp's eastern perimeter. Two of the 12 American advisers assigned to the post were killed; one US and 23 CIDG personnel were wounded. Five Communists were reported killed during the hour-long engagement.

Operation MANHATTAN Finds Additional Enemy Supplies

7. US Army troops in Operation MANHATTAN have discovered another large cache of enemy weapons and supplies in Binh Duong Province some 30 miles northwest of Saigon. On 3 May, a Communist defector led US forces to the cache, which included 220 Mauser rifles 147 Chinese Communist carbines, 3,500 rounds of mortar ammunition, as well as large amounts of small-arms ammunition, grenades, and other supplies.

8. MANHATTAN is a 17-battalion operation that began on 22 April with the objective of seeking out enemy troops and base areas in northwestern Binh Duong Province. So far, several large rice caches, base complexes (complete with concrete bunkers), and an enemy claymore-mine factory have been found and destroyed, confirming the importance of this area to the Communists. Casualties to date are 145 enemy troops killed and 339 detained, as opposed to US losses of 34 killed and 20 wounded.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Police Director Loan appears to have acquired additional responsibilities concerning military participation and influence in the presidential and legislative elections. It is not clear, however, whether Loan's mandate is self-initiated, whether it comes from Premier Ky, or whether Loan is acting with the approval of the other leading generals in the name of the military establishment.

2. Not only has Loan replaced General Nguyen Bao Tri as the government negotiator with the Constituent Assembly, but he is handling queries from potential candidates who wish to run on some sort of "government" list in the upper house elections. Loan favors six lists of nine candidates each--rather than fewer lists with more candidates--in the apparent belief that the former method would lessen the likelihood of large groups of a particular religious or political following dominating the upper house.

3. Loan is also pressing a covert campaign apparently designed to discredit the candidacies of the civilian front-runners, especially Phan Khac Suu. According to one of the deputies, Loan told a Constituent Assembly member that Suu reportedly had established contact with the Liberation Front (NFLSV). In earlier sessions with six of the leading generals, Loan attempted to convince the generals that time was of the essence in choosing a military candidate for the presidency by citing evidence that Suu was being supported by the Viet Cong and the French. Loan told an American observer on 2 May that he would be obliged to "stop" civilian politicians from uniting behind one civilian presidential candidate. In Loan's opinion, even with the advantage a single military candidate would have running against several civilians, the military candidate would lose about 25 percent of the total military vote because of regional and family ties.

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4. Loan has also generated a report, [REDACTED]

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[REDACTED] that elements in the Liberation Front in collaboration with Tran Quoc Buu, the chairman of the Vietnamese Federation of Labor, will try to establish a coalition government with the Saigon regime. Loan's recommendation [REDACTED]

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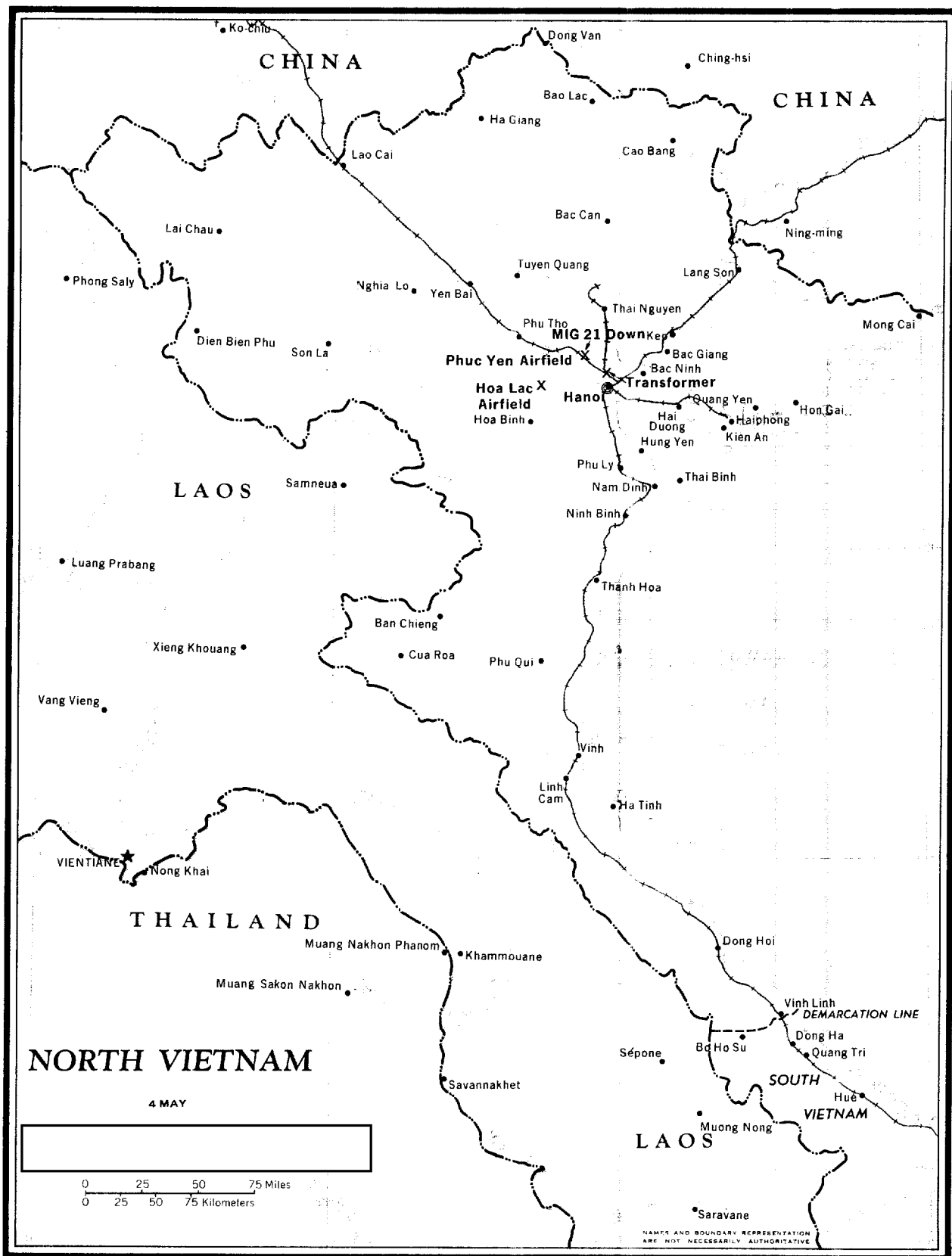
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[REDACTED] was to seek more information on labor leaders in order to cope with future "false peace" plots. Such an association of Buu with Viet Cong leaders is unlikely, but in view of the intense mutual dislike of Loan and Buu, an attempt by Loan to discredit Buu is not surprising.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. The Hanoi transformer station situated seven miles north of the city was attacked again on 4 May by 16 F-105s which were heavily opposed by DRV fighters. No US planes were lost in the raid but one flight was forced to release its bombs in the vicinity of Phuc Yen Airfield in order to avoid the MIGs. Other pilots reported success in dropping their ordnance on the transformer station, but no bomb damage assessment has yet been received.

2. Eight F-4Cs providing fighter cover for the strike force became involved in two extended MIG encounters near Phuc Yen and Hoa Lac airfields. In the first instance, US planes engaged two MIG-21s, hitting one of them with air-to-air missiles. The North Vietnamese pilot was observed attempting to bring his damaged plane into Phuc Yen but eventually crashed 100 yards south of the runway in what appeared to be an active 85-mm. antiaircraft battery. After leaving the Hanoi area, the F-4Cs engaged five MIG-17s orbiting the Hoa Lac Airfield, but fuel considerations terminated the air battle before any planes were lost by either side.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. According to the French press service, AFP, North Vietnamese Premier Pham Van Dong was accompanied by Defense Minister Giap and Deputy Foreign Minister Hoang Van Tien during his trip to Moscow last month to discuss Soviet economic and military aid for 1968. Reports had previously indicated that Pham Van Dong arrived in late March with an unidentified party and stopped in Peking for several days on his trip back to Hanoi. According to the new AFP story, Moscow agreed in general terms to supply Hanoi with several hundred million dollars worth of aid in 1968, including large food shipments. AFP also claimed that details on the new aid agreement possibly will be worked out next month when Deputy Minister Le Thanh Nghi visits Moscow and other Communist capitals.

2. Le Thanh Nghi does make frequent trips throughout the bloc to conclude aid agreements, but there is usually little advance notice of such tours. In addition to probable discussions on economic and military aid, it is likely that Pham Van Dong and the Soviets discussed Hanoi's current political line on the war and what further steps the Soviet Union might take to lend support on the political front.

DRV Foreign Minister on Negotiations

3. North Vietnamese politburo member and foreign minister, Nguyen Duy Trinh, has written a special Hoc Tap article celebrating the anniversary of the issuance in 1965 of the DRV four-point peace proposal. The general tone of the article represents a return to the tough talk characteristic of Vietnamese propaganda on negotiations prior to the Trinh interview with journalist Wilfred Burchett in late January 1967. North Vietnamese propaganda surrounding that 28 January interview was designed to make Trinh's statement appear as a major concession on Hanoi's part. The April Hoc Tap article returns to an insistence on the importance of the US accepting the four-point program as a package. The foreign minister enumerates the four points in full and devotes

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special attention to the importance of the third-- the role of the Liberation Front. The article also insists that the US must "prove by actual deeds" its acceptance of the four points.

4. In recent months DRV and Liberation Front spokesmen have not attempted to lay particular emphasis on the necessity for the US to recognize the role of the Front. Trinh, however, characterizes US failure to recognize the Front as "shirking the most important and urgent problem in Vietnam," and claims that "without point three, recognition of the other points is merely formalistic and deceitful." Trinh did refer in passing to the January offer to talk, and other DRV spokesmen have made it clear that the offer still stands as a part of Hanoi's position on negotiations.

5. Trinh was also extremely critical of "people who advise both sides to make concessions in order to reach a peaceful solution," and said this advice is "not objective." Trinh strongly implied that the DRV is not ready to make any new concessions on negotiations, at least for the present.

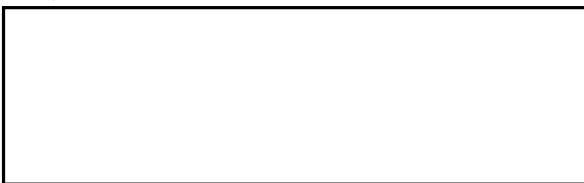
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